

Item No: ____

Moved by: _____

Prepared by: Marcy Ingram

Seconded by: _____

Reviewed by: Marcy Ingram

RESOLUTION ESTABLISHING THE GUIDELINES FOR THE
EXPENDITURE OF SURPLUS FUNDS RESULTING FROM AN EXCESS
OF TAX COLLECTIONS ("SURPLUS FUNDS") COLLECTED IN FISCAL
YEAR 2017. SPONSORED BY COMMISSIONER HEIDI SHAFER.

WHEREAS, Pursuant to Art. III, Section 3.03 (B) of the Shelby County Charter, the Shelby County Mayor presented a budget to the Board of Commissioners showing the sums necessary to carry out the functions of the County for Fiscal Year 2017; and

WHEREAS, Pursuant to Art. II, Section 2.01 of the Shelby County Charter, the Board of County Commissioners is authorized to make appropriations of County funds for all legal purposes and to appropriate the proceeds of the tax levy on the assessed values of all properties; and

WHEREAS, The sums necessary to carry out the functions of the County for Fiscal Year 2017 were adopted by Resolution No. 2, entitled "Resolution Approving and Appropriating Shelby County Government's Operating Budget for Fiscal Year 2017," on June 29, 2016; and

WHEREAS, The Shelby County Commission has encountered difficulty during the budget planning session in determining accurately what funds are available to address the various fiscal needs of the citizens of Shelby County, particularly in relation to surplus tax collections and budgeted funds allocated in any given fiscal year that are not expended or encumbered by fiscal year end; and

WHEREAS, The revenue necessary to carry out the functions for Fiscal Year 2017 was adopted by the “Ordinance Fixing the Tax Rate for Shelby County [Government] for the Tax Year 2016” on August 1, 2016; and

WHEREAS, In the event that that the tax collections for Fiscal Year 2017 exceed the number of expenditures budgeted to carry out the functions of the County, the excess of collections over the amount appropriated (also commonly referred to as “surplus funds”) shall be held as follows and be applied to the appropriation for Fiscal Year 2018:

100% of the surplus funds collected for education purposes will be added to the Education Fund,

100% of the surplus funds collected for General Fund purposes will be added to the County Commission’s Contingency Fund,

100% of the surplus funds collected for debt purposes will be added to the Debt Service Fund.

Whereas, For the purpose of this resolution, surplus funds are defined as follows”

- A. For Shelby County property and personalty taxes, surplus funds are the net balance of all such taxes collected by the County Trustee, or any agent of the Trustee, for any fiscal year that exceeds the budgeted amount for that fiscal year, less statutory fees allowed.
- B. For other fees and sales taxes, surplus funds are the net balance of all fees and sales taxes collected that are payable to Shelby County or any of its’ divisions, that exceed the amount budgeted for collection for any given fiscal year.

C. For wheel tax revenues, surplus funds are the net balance of wheel tax collections for any fiscal year that exceeds the total revenue budgeted from the wheel tax fund for that same fiscal year.

D. Surplus funds are any other funds remaining at the end of a fiscal year as which are not encumbered or otherwise legally obligated to be drawn from prior year's Fund Balance.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the surplus funds shall be held as follows and be applied to the appropriation for Fiscal Year 2018:

100% of the surplus funds collected for education purposes will be added to the Education Fund,

100% of the surplus funds collected for General Fund purposes will be added to the County Commission's Contingency Fund, and

100% of the surplus funds collected for debt purposes will be added to the Debt Service Fund.

BE IT FURTHER RESOLVED, That all surplus funds must be appropriated by resolution with an affirmative vote from the County Commission as prescribed by law.

BE IT FURTHER RESOLVED, That this Resolution shall take effect in accordance with the Shelby County Charter, Article II, Section 2.06(B).

Mark H. Luttrell, Jr.
Shelby County Mayor

Date: _____

ATTEST:

Clerk of County Commission

ADOPTED: _____